

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Gas Company (U904G) and San Diego Gas & Electric Company (U902G) to Proceed With Phase 2 of their Pipeline Safety Enhancement Plan and Establish Memorandum Accounts to Record Phase 2 Costs.

Application 15-06-013
(Filed June 17, 2015)

**OFFICE OF RATEPAYER ADVOCATES COMMENTS ON SAFETY AND
ENFORCEMENT DIVISION ANALYSIS REPORT AND EVALUATION OF
SOUTHERN CALIFORNIA GAS COMPANY AND SAN DIEGO GAS AND
ELECTRIC COMPANY PROPOSAL TO DEFER SOME APPROVED PIPELINE
SAFETY ENHANCEMENT PLAN PROJECTS AND TRANSMISSION
INTEGRITY MANAGEMENT PROGRAM PROJECT**

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I. INTRODUCTION

The Assigned Commissioner’s Scoping Memo and Ruling, dated April 5, 2016, (Scoping Memo) adopted a schedule inviting comments on the Safety and Enforcement Division’s (SED) report on the proposal to defer certain Pipeline Safety Enhancement Plan (PSEP) projects (SED Report).¹ Pursuant to the Scoping Memo, the Office of Ratepayer Advocates (ORA) submits its comments on the SED Report and related recommendations.

II. DISCUSSION

A. **ORA Supports the Additional Leak Surveys on Deferred Projects and Maintaining the Line 3000 ILI Schedule. ORA Does Not Dispute the Necessity of Deferring the Other PSEP Projects**

In response to Southern California Gas Company’s (SCG) request to defer six projects that are part of the PSEP,² the SED Report did not oppose that request, stating specifically:

- “SED did not observe an abnormal condition or pipeline integrity data that contradicts the applicants’ safety risk analysis report, that attest on balance, maintaining system reliability justifies the proposed projects deferment”.³
- “SED does not believe the revised start date schedule for the replacement or hydrotest of these [six PSEP] pipeline segments. . .violated any current rules or regulations”.⁴

Given SED’s findings that the “applicants’ safety risk analysis [regarding the deferment of the projects] were appropriate and relevant”,⁵ ORA does not dispute that deferral is necessary, particularly in light of operational challenges caused by the Aliso Canyon leak and subsequent injection restrictions.

¹ The SED Report recommends six PSEP-related projects for : Line 127 Replacement, Line 225 Hydrotest, Line 404 (Section 9) Hydrotest, Lines 404-406 (Somis Street) Replacement, Line 406 (Section 3) Hydrotest, and La Goleta Storage Facility.

² The SED Report, p. 2.

³ *Id.*, p. 3.

⁴ *Id.*, p. 3.

⁵ *Id.*, p. 2.

ORA also supports SED's recommendation that SoCalGas (SCG) and San Diego Gas & Electric (SDG&E) be required to conduct additional monthly leak surveys as an enhanced interim safety measure until completion of these projects.⁶

However, SCG also requested deferral of the Line 3000 maintenance project, which was not part of the PSEP.⁷ In response, the SED Report stated, "SED recommends that the applicants should not defer Line 3000 project beyond its current revised scheduled start date of June 2016, to being the ILI reassessment."⁸

Given the leaks found on Line 3000⁹ and subsequent voluntary reduction in the maximum pressure on that Line,¹⁰ ORA supports SED's recommendation not to defer or delay the In-line Inspection (ILI) reassessment project, which is part of the Transmission Integrity Management Program (TIMP).¹¹

B. Additional ORA Recommendations

ORA recommends that the Commission require SoCalGas to do two additional things in addition to those recommended by the SED Report.

1. SoCalGas Should File an Updated Comprehensive Testing and Replacement Plan

Pursuant to Commission Decision (D.) 11-06-017, all California natural gas transmission pipeline operators were required to file and serve a proposed Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan ("Implementation Plan"), which was to reflect a timeline for completion.¹² Operators were to assist in prioritizing segments in their

⁶ *Id.*, p. 2.

⁷ *Id.*, p. 2

⁸ *Id.*, p. 3.

⁹ *Id.*, p. 10.

¹⁰ See: https://scgenvoy.sempa.com/ebb/attachments/1465919844493_SYSIMPT.pdf, "Southern California Gas Company Pipeline/Station Maintenance Schedule", p. 1 of 2, entry number 12 under the "Description" column heading, which states, "L3000 - Voluntary decrease of maximum operating pressure on L3000 Northern Transmission Zone by approximately 20%. This change is being made to further improve and maintain the safety of So Cal Gas pipelines."

¹¹ SED Report, p. 3.

¹² D.11-06-017, mimeo, p. 31, Ordering Paragraphs (OP) 4 and 5.

Implementation Plans for replacement or pressure testing.¹³ Further pursuant to D.14-06-007, SCG and SDG&E were authorized to begin work in their Implementation Plan, also called “Pipeline Safety Enhancement Plan”,¹⁴ with costs recorded in balancing accounts and subject to refund pending a subsequent reasonableness review.¹⁵ SCG should be required to file an update to its Implementation Plan that incorporates the deferred/delayed projects and any other changes caused by these delays and the Aliso Canyon incident.

An updated Implementation Plan will provide the Commission and parties the latest information regarding SCG’s/SDG&E’s PSEP work and clearly show how the delays have affected (or will affect) the PSEP program in its entirety.

2. SoCalGas Should Clarify Effects on Other Projects and Whether PSEP Acceleration Elsewhere is Possible

SCG and SDG&E should clarify whether the deferral of the identified projects has or will lead to changes in the scheduling, pace, or estimated completion date of other projects.

Particularly, the delay of the six PSEP projects identified in the SED Report (totaling 4.443 miles¹⁶) may free up resources to work on other projects not affected by the Aliso Canyon leak and subsequent issues. Potentially accelerating work on other PSEP or Integrity Management Projects could reduce pipeline-related risks, save ratepayers and the companies money, and keep the overall PSEP program on track schedule-wise.

If SCG and/or SDG&E have not accelerated or otherwise modified other projects to use the resources saved by deferral of the six PSEP projects, SCG and SDG&E should explain why not.

¹³ Id., p. 33, OP 11.

¹⁴ D.14-06-007, mimeo, p. 7, footnote 4.

¹⁵ Id., p. 59, OP 2. ORA uses the terms Implementation Plan and Pipeline Safety Enhancement Plan interchangeably.

¹⁶ Id., p. 7.

III. CONCLUSION

ORA supports the additional leak surveys on deferred projects, and maintaining the Line 3000 ILI schedule. ORA does not dispute the necessity of deferring the other six PSEP projects. SoCalGas should file an updated comprehensive testing and replacement plan, and should clarify whether there are any other impacts on PSEP projects or whether other PSEP projects will be accelerated.

Respectfully submitted,

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